

FY 20-21 Budget Work Session

March 24, 2020



Presentation Overview

- Major budget considerations
- Revenues by Major Category
- Expenditures by Major Category
- Capital Improvement Projects
- Impact of COVID-19
- Schedule



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Major Considerations

- Reduced original departmental requests:
 - Operations reduced \$1.3 million (3%)
 - CIP decreased by \$1.9 million (44%)
- Funding for County school division
- Revenue increase from primary tax base
- Funding for facilities needs
- Personnel additions and compensation adjustments
- Utilization of Fund Balance for one-time projects
- No tax rate increase included in the budget
- Predicted potential impact of COVID-19



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FY 21 General Fund Highlights

- Provides funding for School capital needs as a means of making progress on previously deferred projects.
- A \$4.6 million (7%) increase in revenues (growth in R/E, PP, M&T), includes re-assessment impact
- FY21 represents the third year (Phase 3) of market-based salary adjustments for County employees
 - FY21 proposed cost = \$100k
 - Would be final year of market-based salary adjustments, with year-to-year monitoring of compensation market thereafter



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FY 21 General Fund Highlights

- A \$210,000 increase in Hospital Medical costs
 - 12% added for next plan year portion 12/20 – 6/21
- Personnel additions – 6 full-time positions, 2 part-time positions, & additional Van Program hrs.
 - Impact = \$348k
- Capital Improvement Plan (CIP) focuses on transition to Greenfield, building maintenance, and community / economic development.
 - Total CIP = \$2.4 million (\$200k increase)



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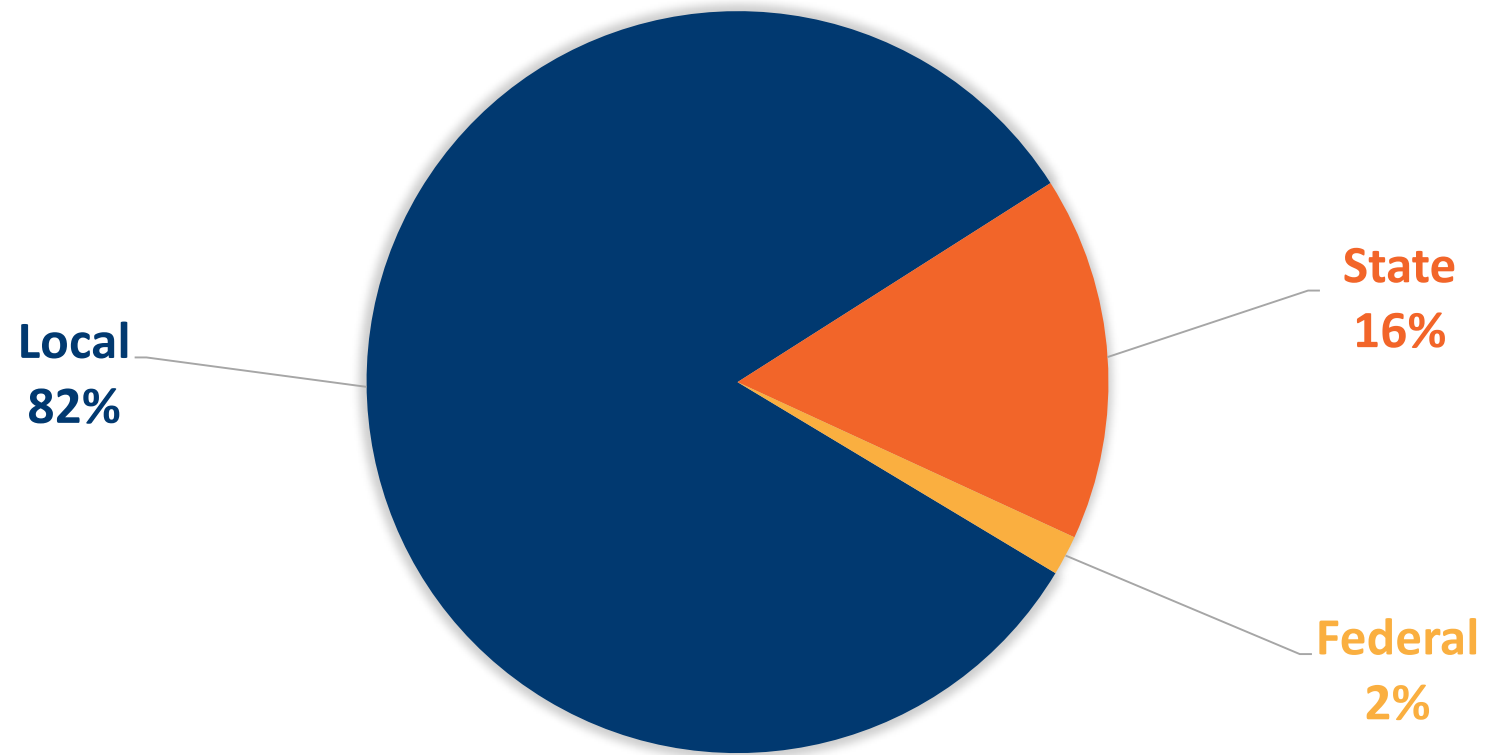
General Fund Revenue Highlights by Government Source

Revenue Source	FY 20 Budget	FY 21 Draft	Difference	Percent Change
Local	53,924,843	58,404,510	4,479,667	8.3%
State	11,232,999	11,262,764	294765	0.3%
Federal	1,140,467	1,234,355	93,888	8.2%
Total	66,298,309	70,901,629	4,603,320	6.9%



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General Fund Revenues by Government Source



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Local Revenues

- Includes real estate re-assessment as well as projected growth in local primary taxes, such as:
 - Real Estate Taxes
 - Public Service Corporation Taxes
 - Personal Property Taxes
 - Machinery & Tools Taxes
 - Local Sales Taxes
- Growth also reflected in Meals and BPOL Taxes
- Projected growth may be adjusted due to COVID-19



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State Revenues

- Non-Categorical Aid remains mostly level
- PPTRA remains fixed (\$3.4 million)
- Categorical Aid decrease = 2%
 - EMS grants decrease
- Other Categorical Aid increase = 9%
 - Includes Welfare, CSA (for at-risk youths), and Library aid



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Federal Revenues

- Payments in Lieu of Taxes (PILT)
 - No FY 21 funding commitment at this time. Based on history, County is budgeting a \$34,000 increase in revenues vs. FY20 Budget.
- Federal Welfare payments are budgeted to increase \$72,000.
- VA SAVES (an interest rate subsidy for the School Energy Project) is scheduled to decrease \$10,000



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Revenues Summary

- Local revenues include the impact of the reassessment, as well as projected growth in economic driven taxes. Public Service Corp. revenues include current AEP and Roanoke Gas projects.
 - Total local incremental revenues of \$4.5 million (8%)
- State revenues reflect only a 0.3% overall increase due primarily to a decline in Communication Taxes, and a lower level of EMS grant funds.
- Federal revenues enhanced by expected PILT and Welfare reimbursements.
- *Overall increase of GF revenues: \$4.6 million, 7%*



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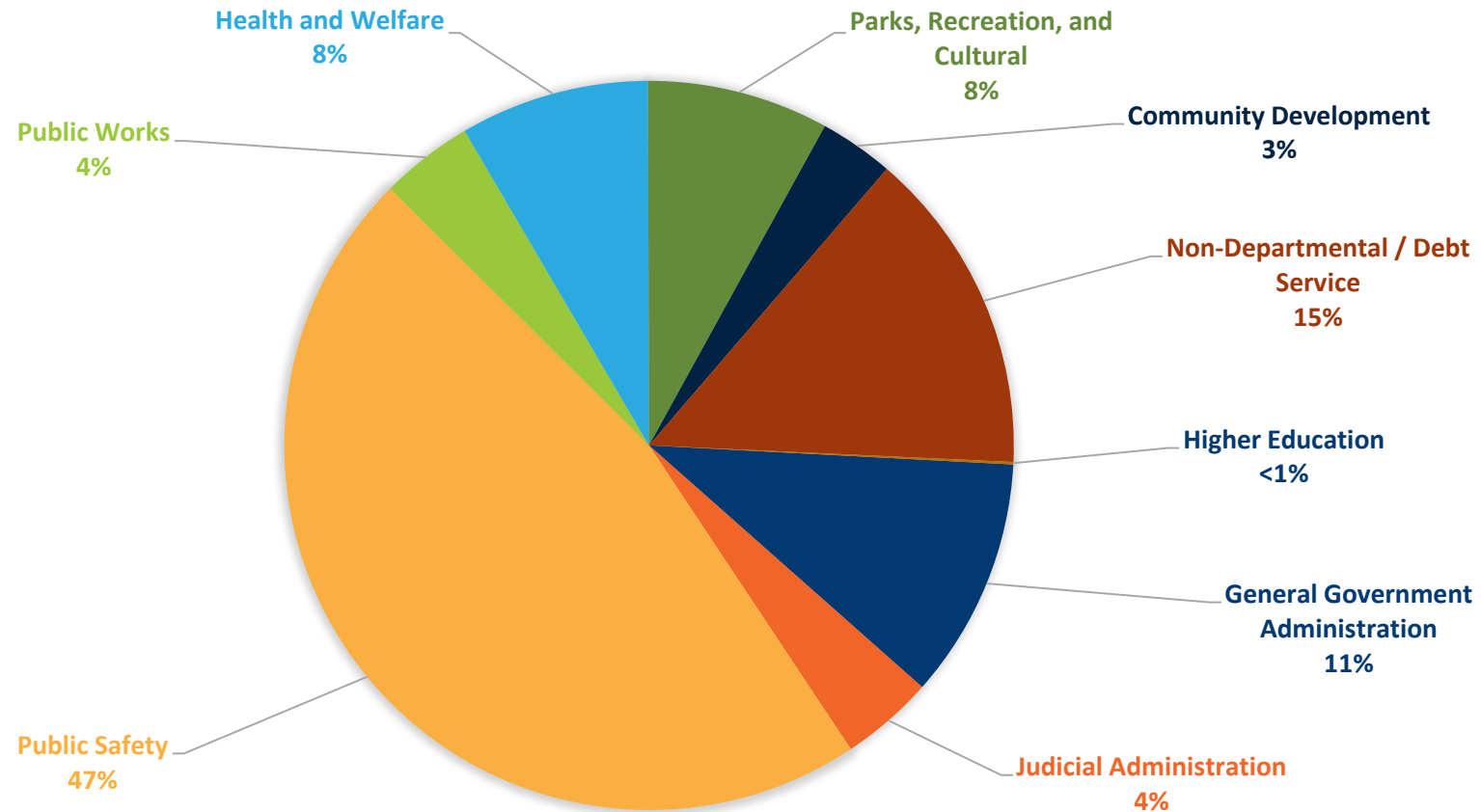
General Fund Expenditure Highlights

Major Category	FY 20 Budget	FY 21 Draft	Difference	Percent Change
General Government Administration	4,201,029	4,492,353	291,324	6.9%
Judicial Administration	1,595,644	1,736,276	140,632	8.8%
Public Safety	18,466,733	19,636,543	1,169,810	6.3%
Public Works	1,664,328	1,729,538	65,210	3.9%
Health and Welfare	3,079,841	3,520,575	440,734	14.3%
Parks, Recreation, and Cultural	3,111,415	3,382,632	271,217	8.7%
Community Development	1,339,547	1,382,269	42,722	3.2%
Non-Departmental / Debt Service	5,253,750	6,055,221	801,471	15.3%
Higher Education	42,140	46,140	4,000	9.5%
Total	38,754,427	41,981,547	3,227,120	8.3%



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General Fund Expenditure Highlights by Category



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General Government Administration

Department	FY 20 Budget	FY 21 Draft	Difference	Percent Change
Board of Supervisors	261,763	237,216	-24,547	-9.4%
County Administrator	384,038	613,050	229,012	59.6%
Deputy County Admin / HR	467,982	397,755	-70,227	-15.0%
Commissioner of the Revenue	418,859	442,200	23,341	5.6%
Assessor / Board of Equalization	118,100	-	-118,100	-100.0%
Treasurer	521,085	559,424	38,339	7.4%
Financial Services	311,042	345,224	34,182	11.0%
Technology Services	1,129,856	1,229,853	99,997	8.9%
Central Purchasing	125,027	153,243	28,216	22.6%
Central Garage	105,375	102,981	-2,394	-2.3%
Electoral Board/Registrar	357,902	411,407	53,505	14.9%
Total	4,201,029	4,492,353	291,324	6.9%



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General Government Admin

- Deputy Administrator (DCA)/HR
 - DCA department has been replaced with H/R department, with the Deputy Co. Admin department-related expenses transferred to the County Admin department. H/R department includes a F-T Training Coordinator (budgeted for a half year in FY20, and a full year in FY21).
 - H/R department budgeted for certain expenses (advertising for open positions, pre-employment testing, and health insurance consultants fees) that were previously budgeted in other departments.
- Financial Services / Central Purchasing
 - Both departments have replaced a P-T position with a shared F-T position (hired during FY20). Purchasing also includes funding (\$5k) for a Vendor Management Tool that will provide a useful database.
- Electoral Board / Registrar
 - Includes the dollar impact of a national election; costs associated with a longer term for absentee (no excuse) voting; funding (\$26k) for 12 electronic poll books, additional voting booths, and queuing lines.
- All departments' costs include the FY21 impact of market-based and any performance-based compensation adjustments effective 1/1/20.



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Judicial Administration

Department	FY 20 Budget	FY 21 Draft	Difference	Percent Change
Circuit Court	63,251	69,385	6,134	9.7%
General District Court	28,517	24,215	-4,302	-15.1%
Magistrate	2,630	3,825	1,195	45.4%
Juvenile and Domestic Relations Court	-	17,551	17,551	n/a
Clerk of the Circuit Court	691,856	759,237	67,381	9.7%
Commonwealth's Attorney	809,390	862,063	52,673	6.5%
Total	1,595,644	1,736,276	140,632	8.8%



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Judicial Administration

- General District Court – Decrease in budget due to the splitting of two district courts.
- Juvenile Domestic Relations District Court – New district court, started in January 2020. A separate first full year budget has been provided for this court.
- Magistrate – Increase relates to new furnishings.
- Circuit Court, Clerk of Circuit Court, Commonwealth's Attorney – Increases in these costs primarily relate to salary adjustments effective 1/1/20. Clerk of Circuit Court department also includes a new support position budgeted for a full year, to assist with proposed new Drug Court responsibilities.



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Public Safety

Department	FY 20 Budget	FY 21 Draft	Difference	Percent Change
Sheriff	5,341,736	5,885,967	544,231	10.2%
Dispatch	927,076	941,040	13,964	1.5%
Correction and Detention	4,912,146	5,051,384	139,238	2.8%
Juvenile Detention Center	150,000	175,000	25,000	16.7%
Probation Office	4,501	4,951	450	10.0%
Community Development (Inspection) (40%)	439,228	472,959	33,731	7.7%
Animal Control	712,452	775,816	63,364	8.9%
Fire and EMS (includes Vol. Fire& Rescue)	5,667,941	5,981,064	313,123	5.5%
Emergency Communications	304,931	341,640	36,709	12.0%
Community Organizations	6,722	6,722	0	0.0%
Total	18,466,733	19,636,543	1,169,810	6.3%



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Public Safety

- Sheriff's Department
 - Includes a new SRO position (start date 7/1/20). Non wage/benefit operating costs are budgeted at a flat level.
- Fire & EMS
 - Includes 4 new positions to provide for 24/7 coverage at Read Mountain Station. Positions have a 1/1/21 start date. New Fire & EMS Reserve Fund will be used to purchase apparatus that has been included in prior years' budgets.
- Juvenile Detention Center (Regional)
 - Increased level of youth activity and a new funding mechanism will ensure proper funding regardless of any downward swing in overall activity.
- Correction and Detention (Jail)
 - Non-wage/benefit costs reflect a decrease vs. the FY20 Budget. Operating at a high level of inmate population.



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Public Safety

- Community Development
 - Includes 40% of this department's costs (Inspection-related activity).
 - Includes 40% of expenses for the Colonial Elementary Project Manager (same as for FY20).
- Animal Control
 - Increase for regional animal shelter budget and related expenses, and for the purchase of 2 vehicles, per replacement plan.
- Emergency Communications
 - Includes increase in maintenance costs.
 - Includes increase in E-911 Telecommunication costs.
 - Includes increased tower co-locator activity (pass-through)



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Public Works

Department	FY 20 Budget	FY 21 Draft	Difference	Percent Change
Division of Waste Management	755,428	654,633	-100,795	-13.3%
Maintenance of Buildings and Grounds	908,900	1,074,905	166,005	18.3%
Total	1,664,328	1,729,538	65,210	3.9%



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Public Works

- Waste Management
 - Budget reflects a significant decrease in recycling costs due to an anticipated mid-year operations transfer to County Waste.
 - Increased costs for Professional Services (engineering), refuse disposal, and capital outlay.
- Maintenance
 - Increase in refuse disposal, building repairs.
 - Includes utility costs for Greenfield ETC.



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Health and Welfare

Department	FY 20 Budget	FY 21 Draft	Difference	Percent Change
Local Health Department	329,252	340,817	11,565	3.5%
Social Services	1,332,959	1,449,582	116,623	8.7%
Children's Services (CSA)	1,269,190	1,554,022	284,832	22.4%
Van Program	80,940	103,404	22,464	27.8%
Community Organizations	67,500	72,750	5,250	7.8%
Total	3,079,841	3,520,575	440,734	14.3%



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Health and Welfare

- Children's Services (CSA)
 - Projected increase in foster care activity for youth services based on FY20.
- Van Program
 - Includes additional part-time funding to provide for increased service demand.
- Social Services
 - Carryover effect of FY20 compensation enhancements relating to State guidelines, as well as an increase in program costs for child welfare services.



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Parks, Recreation, and Cultural

Department	FY 20 Budget	FY 21 Draft	Difference	Percent Change
Recreation & Facilities	1,337,855	1,473,963	136,108	10.2%
Sports Complex	380,625	392,558	11,933	3.1%
Library	1,205,398	1,325,330	119,932	9.9%
Community Organizations	187,537	190,781	3,244	1.7%
Total	3,111,415	3,382,632	271,217	8.7%



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Parks, Recreation, and Cultural

- Recreation & Facilities Department
 - Increase (\$47k) for equipment, vehicle, and building repairs.
 - Increase (\$58k) for education & rec supplies due to the assumption and control of booster club / County-wide sports (associated revenues are reflected in the revenue budget).
 - Increase in capital outlay (tractor-mounted aerator).
- Sports Complex
 - Increase in wages (market-based compensation study).
 - Increase in agricultural supplies cost.
- Library
 - Increase in wages & benefits due to impact of 1/1/20 salary adjustments.
 - Includes 2 new part-time positions (Event Coordinator – 1/1/21; Floater position – 7/1/20).



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Community Development

Department	FY 20 Budget	FY 21 Draft	Difference	Percent Change
Economic Development	475,439	466,008	-9,431	-2.0%
Community Development (P&Z) (60%)	658,843	709,438	50,595	7.7%
Environmental Management	20,111	20,111	-	0.0%
Cooperative Extension	68,008	66,416	-1,592	-2.3%
Community Organizations	117,146	120,296	3,150	2.7%
Total	1,339,547	1,382,269	42,722	3.2%



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Community Development

- Economic Development
 - Includes funding for an incentive program for small businesses, marketing initiatives (Upper James River Water Trail), RAMP (entrepreneurship development), Botetourt manufacturer commercials, and production of promotion commercials.
- Community Development (P&Z)
 - Includes 60% funding for the Colonial Elementary Project Manager (same as FY20 budget).
 - Includes 60% of total departmental costs (Planning & Zoning function).
 - Total cost increase is related to 1/1/20 salary adjustments.



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County Transfers to Public Schools

- Total transfer for operations in this draft budget = \$25,959,282
 - Increase of \$1 million (4.0%) as compared to FY20.
- Total transfer for Capital Projects funding in this draft budget = \$1,388,301

(These one-time projects will be funded from the Undesignated Fund Balance.)



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County Transfer to the EDA

- Local Economic Incentives
- Funding for Greenfield Park utilities/development.
- Total Transfer: \$597,500 (\$398k in FY20)



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Non-Departmental and Debt Service

Non-Departmental	FY 20 Budget	FY 21 Draft	Difference	Percent Change
Wellness Program	63,514	68,720	5,206	8.2%
Market-based Salary Adjustments	600,000	245,000	-355,000	-59.2%
Debt Service	4,582,736	5,146,500	563,764	12.3%
Contingency	7,500	595,001	587,501	7,833.3%
Total	5,253,750	6,055,221	801,471	15.3%

- Non-Departmental Expenditures
- Wellness Program increase reflects incentive enhancement.
- Salary adjustments include a final phase of the plan.
- Debt Service -- a \$700k scheduled increase (vs FY20) in the new Colonial Elementary School debt.
- Contingency dollars have been set aside for unidentified costs/opportunities.
- No proposed County CPI-indexed salary increases for FY21.



Miscellaneous Organizations

- FY 20 Budget = \$421,045 vs. FY21 Draft = \$436,689
- New funding – Western Va. Workforce Development Board (\$3,350).
- Increases for regional organizations with funding formulas based on per capita contributions.
- Increased funding (\$5k) for Blue Ridge Behavioral Healthcare to maintain current percentage support vs funding formula.
- Increased funding (\$4k) for VWCC CCAP Program.



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Capital Improvement Plan (CIP)

- Draft CIP = \$2.4M total; \$200K (8%) increase
- Maintenance
 - Includes \$500k for Circuit Courthouse renovation (multi-year project) and \$386k for Greenfield partial roof replacement. Also funding for two parking lot seals and renovation projects.
- Technology Services
 - Includes continued funding for PC Laptop replacement plan and a Cisco phone system upgrade.
- Public Safety
 - Continuation of portable radio replacement program (final installment) & \$80k funding toward radio system replacement plan (multi-year project, will require financing).



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Capital Improvement Plan (CIP)

- Recreation & Facilities
 - Includes matching funds for Recreation Incentive Fund.
- Library
 - Includes matching funds for Library Incentive Fund.
- Waste Management
 - Funding for leachate storage tank repaint/seal.
- Community Development
 - Includes fourth matching contribution towards Daleville YMCA and funding for Economic Development Program.



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Impact of COVID-19

- Actively analyzing potential impact on revenues
 - Consumer-based revenues such as meals tax, sales tax, transient occupancy tax, and building permit fees are most at risk for impact
- Hiring Freeze in effect immediately for non-Public Safety positions
- Discretionary Spending Freeze for operations and capital expenses
 - Some departments have already offered up reductions
- Delaying larger purchases and reassessing the timing of those capital expenses
- Travel suspension unless required by law
- Consider quarterly appropriations for the FY21 Budget
- Increased monitoring of budget on a monthly basis



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Outlook for FY 2021-2022

- Analyzing lingering impact of COVID-19
- Continued monitoring of budget on a monthly basis
- Will include funding strategy for the Circuit Courthouse Renovation and Radio System Replacement projects (significant investments).
- Debt Service – Literary Fund debt will decrease \$387k (small L.F. debt balance remaining).
- Economic Development opportunities
 - Continue attraction and retention of new business in Greenfield.
 - Greenfield road development.
- CIP – Continued development of Greenfield Recreation Park (multi-year) based upon strategic plan.
- Continued progress – County and School deferred projects.



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Budget Calendar: Where We Have Been

- **November 2019** – Budget call letter to all departments and offices
- **January 2020** – Budget preparation for Task Force review
- **February 2020** – Budget Task Force meetings and review by County Administrator
- **March 2020** – Draft budget provided to Board members, Budget Sub-Committee meetings, meetings with other Board members, all leading to this budget work session



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Budget Calendar: Where We Are Going

- **March 24, 2020** – Budget Work Session
- **March 26, 2020** – School Board budget hearing
- **March/April 2020** – School Submits Budget Request to County
- **April 20, 2020** – Tax Rate Public Hearing and Budget Public Hearing (*anticipated*)
- **April 2020** – Meetings if necessary with Budget Committee
- **May 2020** – Adopt School Budget
- **June 23, 2020** – Adopt County Budget and Tax Rates



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Thank you!

